

MEMO

TO: House Financial Services Committee Members

FROM: Michigan Retailers Association

SUBJECT: HB 4242

DATE: April 22, 2015

Michigan Retailers Association is the unified voice of Michigan's retail industry and represents more than 15,000 storefronts across the state. MRA opposes HB 4242 because it creates a new, impractical, and unnecessary posting requirement for retail businesses that perform money transmission services.

Many retailers offer check cashing and money order services at their locations. Grocery, convenience, and superstores often perform these services on-site through a third party kiosk or entity like Western Union.

The Money Transmission Services Act defines money transmission services as the "selling or issuing payment instruments or stored value devices or receiving money or monetary value for transmission." This broad application applies to both wire transfers and money orders.

Retailers that use a third party entity like Western Union to perform the service charge fees determined by the third party vendor. Western Union frequently offers promotional pricing and may change the price at any given time.

Some services, like wire transfers, do not have a set fee. Wire transfers are often based on the amount of the transfer and where the money is going. It is not possible to list the fees for every possible dollar amount and location a customer could request as a wire transfer service.

Furthermore, MCL 445.903(z) of the Michigan Consumer Protection Act already protects customers from being charged unfair rates for products or services.

"Charging the consumer a price that is grossly in excess of the price at which similar property or services are sold."

Retail stores already have posted notices, pricing, and merchandise displays at the counters. Adding a new posting requirement that includes strict font size restrictions and/or size requirements is difficult to include to the many other items already posted or on display near a service counter.

In short, additional protections are unnecessary. New rate and fee posting requirements are unnecessary, impractical, and harmful to business owners who offer money transmission services as part of their business. As a result, MRA opposes HB 4242 as it creates an impossible standard to follow.